# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

STARRED QUESTION NO:88
ANSWERED ON:28.07.2000
GOVERNMENT EXPENDITURE
GADDE RAMAMOHAN;SHIVAJI MANE

**Will the Minister of FINANCE be pleased to state:**

(a) the details of the measures adopted by the Union Government to reduce the Government expenditure and downsizing the Government;

(b) whether the Government have also issued some directions to the various Ministries and State Governments in this regard;

(c) if so, the details thereof;

(d) whether any meeting with financial advisers was held in this regard;

(e) if so, the details of the suggestions/measures enumerated in this regard; and

(f) the other steps taken by the Government to control the fiscal deficit?

## Answer

Minister of State in the Ministry of Finance (Shri Balasaheb Vikhe Patil)

(a),(b),(c): Measures to reduce Government Expenditure and to downsize the Government include a 10% cut in the number of sanctioned posts as on 1.1.92, introduction of zero base budgeting and austerity measures such as ban on the creation of new posts, review of vacant posts before they are filled up, reduction in office expenses, restrictions on purchase of vehicles, restrictions on foreign travel and on entertainment/hospitality expenses etc. The State Governments have also been advised to introduce similar austerity measures. Government have also set up an Expenditure Reforms Commissionwhose terms of reference, inter-alia, provide for suggesting a road map for reducing the functions, activities and administrative structure of the Central Government.

(d),(e)& (f): A meeting with Financial Advisers was held on 4th July, 2000 at which the need for maintaining fiscal discipline and implementing decisions for Expenditure Management were emphasised. For containing fiscal deficit, measures are being taken to restrict expenditure to overall budgetary allocation and improving revenue collection and non-tax receipts of Government.